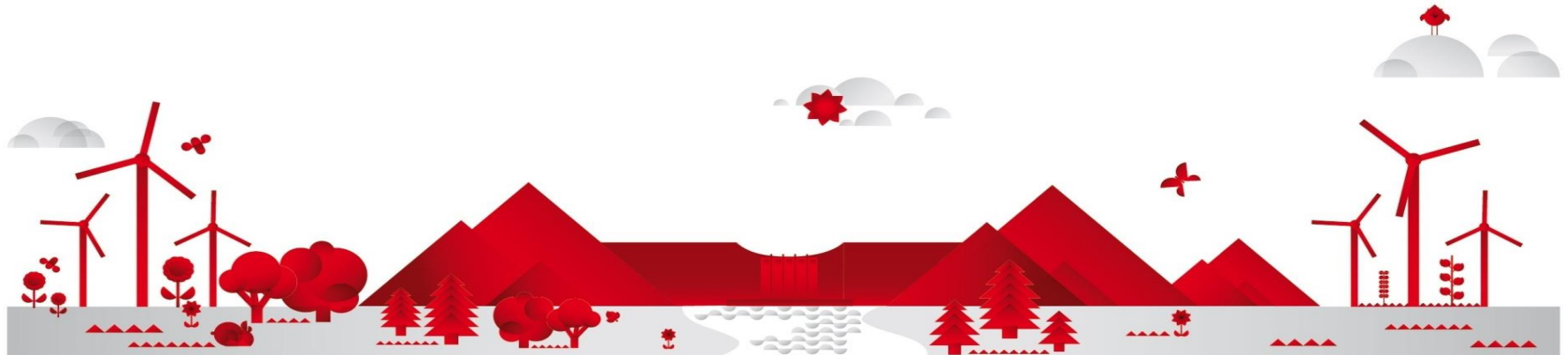




EDP's Offer for EDPR

July 5th, 2017



MEMBER OF
**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

Non-mandatory public Offer Proposal for 22.5% of EDPR shares



Key Offer details

Non-mandatory offer for all outstanding EDPR shares



- Offer in cash of €6.75/share (€6.80 adjusted for EDPR's dividend available for payment on **May 8, 2017**), being this price above the 6 months VWAP⁽²⁾ and above the price paid in the last 6 months by any of the entities related to the Offeror to which voting rights in EDPR have been attributed ⁽¹⁾:

- Premium vs 6 Months VWAP⁽²⁾ of €6.15
- Premium vs spot⁽³⁾ of €6.20

@€6.75

9.8%

@€6.80

10.6%

8.9%

9.7%

- Offer period to start on July 6th and to end on August 3rd

- Euronext Special session on August 4th and Settlement Date on August 8th

- EDP may request the delisting of EDPR in case EDP holds more than 90% of voting rights corresponding to EDPR's share capital as a consequence of the offer

EDP's Offer provides an exceptional liquidity event for EDPR shareholders, allowing them to divest EDPR shares, fully in cash & at an attractive premium

(1) According to Offeror's best knowledge. Entities or persons provided for in number 1 of article 20 of the Portuguese Securities Code

(2) Volume Weighted Average Price, defined as the period between 28-09-2016 and 27-03-2017 inclusive (source: Euronext Lisbon by Euronext Lisbon)

(3) Closing price on the day before the Preliminary Announcement (24-03-2017) (source: Euronext Lisbon by Euronext Lisbon)

Offer (& alternatives post-offer) follow EDP's strategic objectives



Key strategic objectives



Reinforce leading position in renewables



Build ground for additional efficiency and flexibility



Simplify Equity Story eliminating EDP & EDPR double listing

Options post-offer

- EDPR's delisting from Euronext Lisbon by Euronext Lisbon
- Change the current Framework Agreement with EDPR
- Integrate EDPR through cross border merger

Reinforce value creation through a more integrated business model and clearer equity story

Attractive proposition for EDPR shareholders



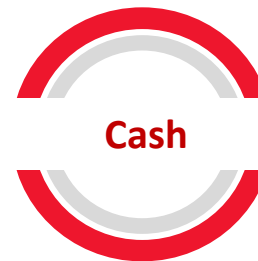
Key merits of the Offer



Attractive premium
to historic share price



Exceptional liquidity
event



Fully paid in
Cash

EDPR Board views price as adequate

- EDPR Board Report was **unanimously approved** and includes the opinion that although the price might not fully reflect the full potential value of the company in the long term, **the price falls within a range of valuation of the company that is considered adequate**

Option to maintain renewables exposure

- EDPR's shareholders may continue invested in renewables through EDP - Share with higher liquidity, visibility, risk diversification and superior dividend yield

Exceptional liquidity event with option to maintain renewables exposure

Offer price is fully supported



Share Price



Attractive premium to performance of EDPR stock

Target prices



Offer Price compares well with historical discount to average analysts' target prices

Trading multiples



Offer significantly above comparable companies' trading multiples average

Precedent Offers



Premium above precedent offers on higher liquidity stocks & fully paid in cash

Premium to share price

Spot ¹	6M VWAP ²
+8.9% (@6.75)	+9.8% (@6.75)
+9.7% (@6.80)	+10.6% (@6.80)

Discount to average target price

Day before the offer	vs.	Last 5 years ⁵
(6%) (@6.75)		(16%) (share price)
(5%) (@6.80)		

Premium to average multiples

EV/EBITDA 2017 ³
+14.6% (@6.75)
+15.1% (@6.80)

Premium to spot¹ & Liquidity⁴

	EDPR (100% cash)	vs.	Precedents (cash & shares)
Premium	@€6.75 8.9% @€6.80 9.7%		7.6%
Liquidity	36%		101%

Proposed offer is an attractive proposition for EDPR stakeholders

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Attractive Price

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**Exceptional
Liquidity event**

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Fully in Cash

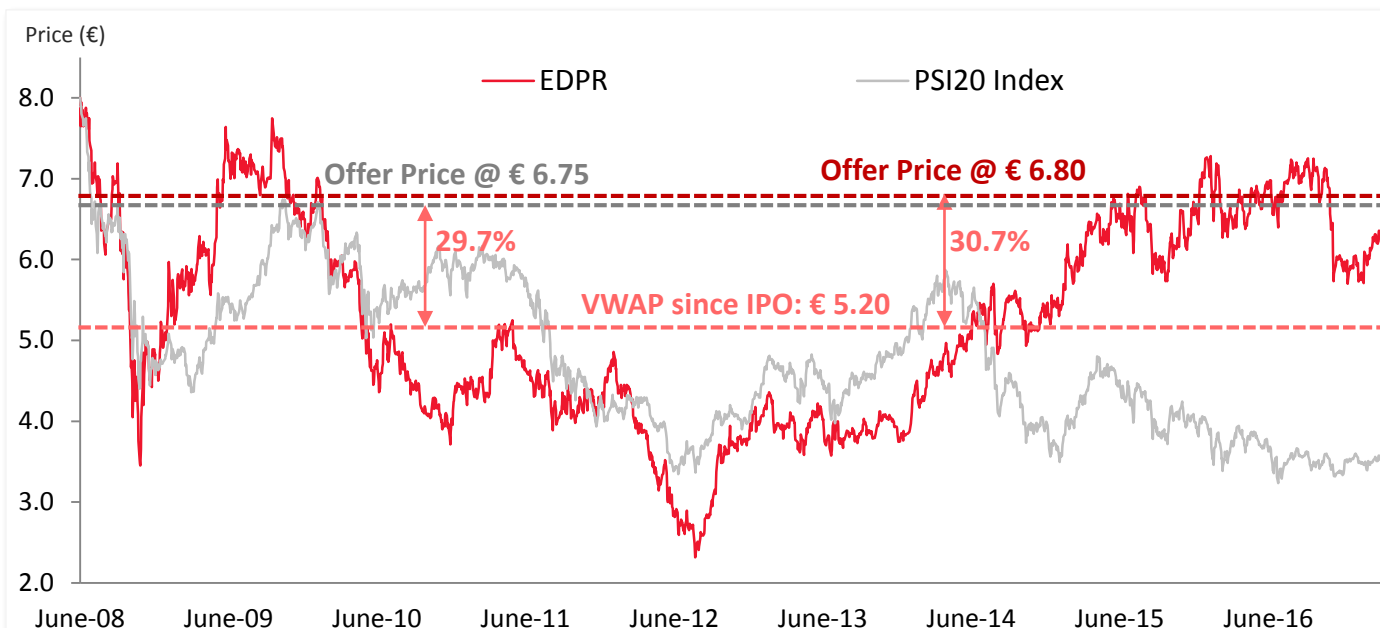
Offer period to take ~4 weeks from July 6th to end on August 3rd

Euronext Special Session on August 4th and Settlement Date on August 8th

Detailed information of the terms and conditions of the Offer is available in the Offer Prospectus, which is available for consultation at www.cmvm.pt and www.edp.pt

Annex

EDPR outperformed the PSI20 Index in the last 2 years



Key considerations

Premium to 6M VWAP

@€6.75 **9.8%**
@€6.80 **10.6%**

Premium to VWAP since IPO

@€6.75 **29.7%**
@€6.80 **30.7%**

Performance since EDPR IPO⁽¹⁾



(15.6%)²

(15.0%)³

PSI20 Index

(55.5%)

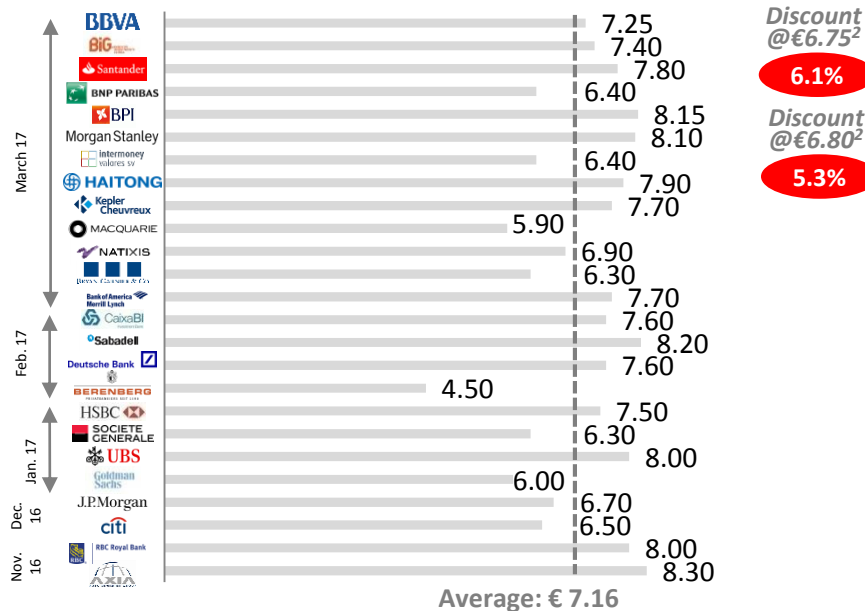
The Offer represents a premium of 9.8% at a price of €6.75, and a premium of 10.6% at a price of €6.80, to the 6M VWAP

Since IPO, EDPR's stock has outperformed the PSI 20 Index and closed only 15.5% of trading days above the Offer at €6.75 and only 13.8% of trading days above the Offer at €6.80

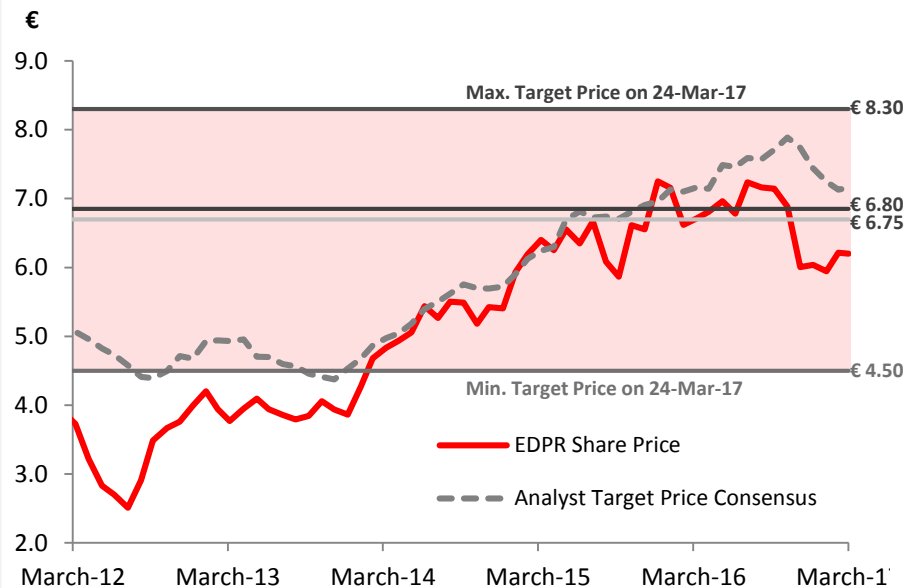
Offer price compares well with historical discount to target price



Equity Analysts Target Prices Before the Tender Offer

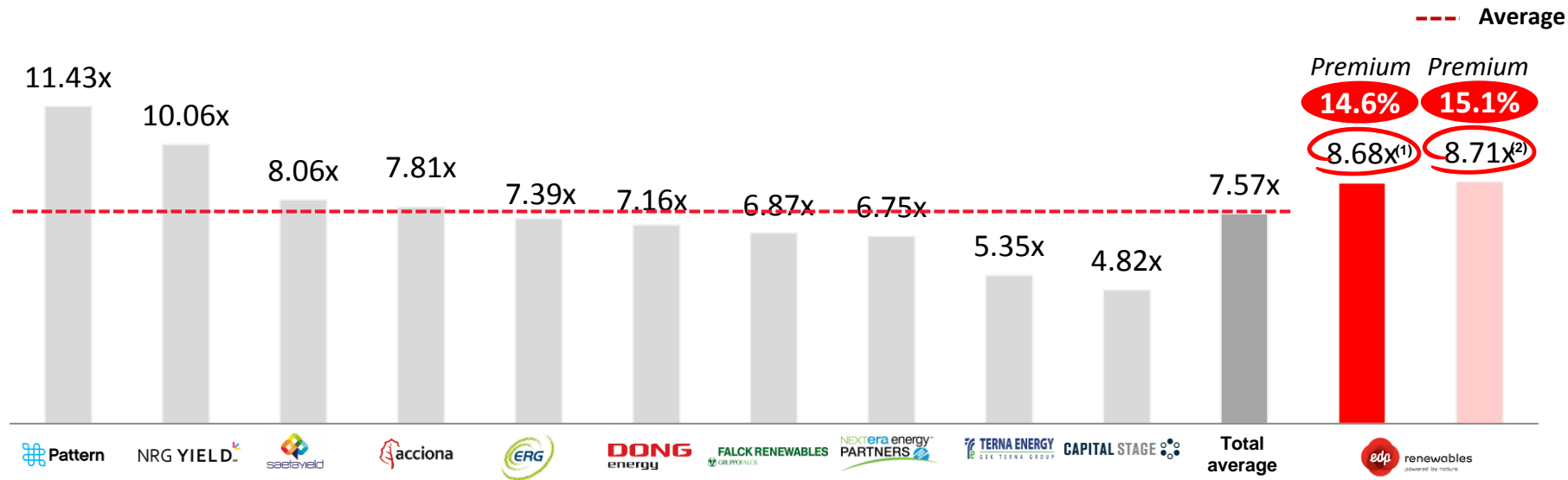


EDPR Share Price vs. Analyst Target Price Consensus⁽¹⁾



The Offer Price is only 6.1% below the average target price of equity analysts covering the stock, at €6.75, and 5.3% below the referred average at the Offer price of €6.80, whereas EDPR's share historically traded at an average discount of 15.9%⁽¹⁾ to the analysts' consensus

Implied Offer multiple puts EDPR significantly above peers











Selected companies based on geographic exposure to Europe & US, with wind and solar being the predominant technologies for energy generation

The Offer implies an EV/EBITDA 2017 multiple of 8.7x, at both prices of €6.75 and €6.80, which represents a premium of 14.6% and 15.1%, respectively, to the average multiple of comparable listed companies in the renewable energy sector of 7.6x

Premium paid slightly above precedents and fully in cash



Target	Offeror	Premium vs spot ⁽¹⁾	Stock liquidity ⁽²⁾	Payment
		1.9%	114.8%	Shares
		11.8%	131.4%	Shares
		9.2%	56.5%	Shares and/or Cash
Average		7.6%	100.9%	
		@€6.75 8.9%	35.8%	Fully in Cash
		@€6.80 9.7%		

The Offer Price represents a premium of 8.9%⁽³⁾, considering the price of €6.75, and 9.7%⁽³⁾ considering the price of €6.80, which is above the average premium of 7.6% paid on higher liquidity stocks in recent comparable offers in the European renewables sector